

Comprehensive Plan Advisory Panel Meeting #6

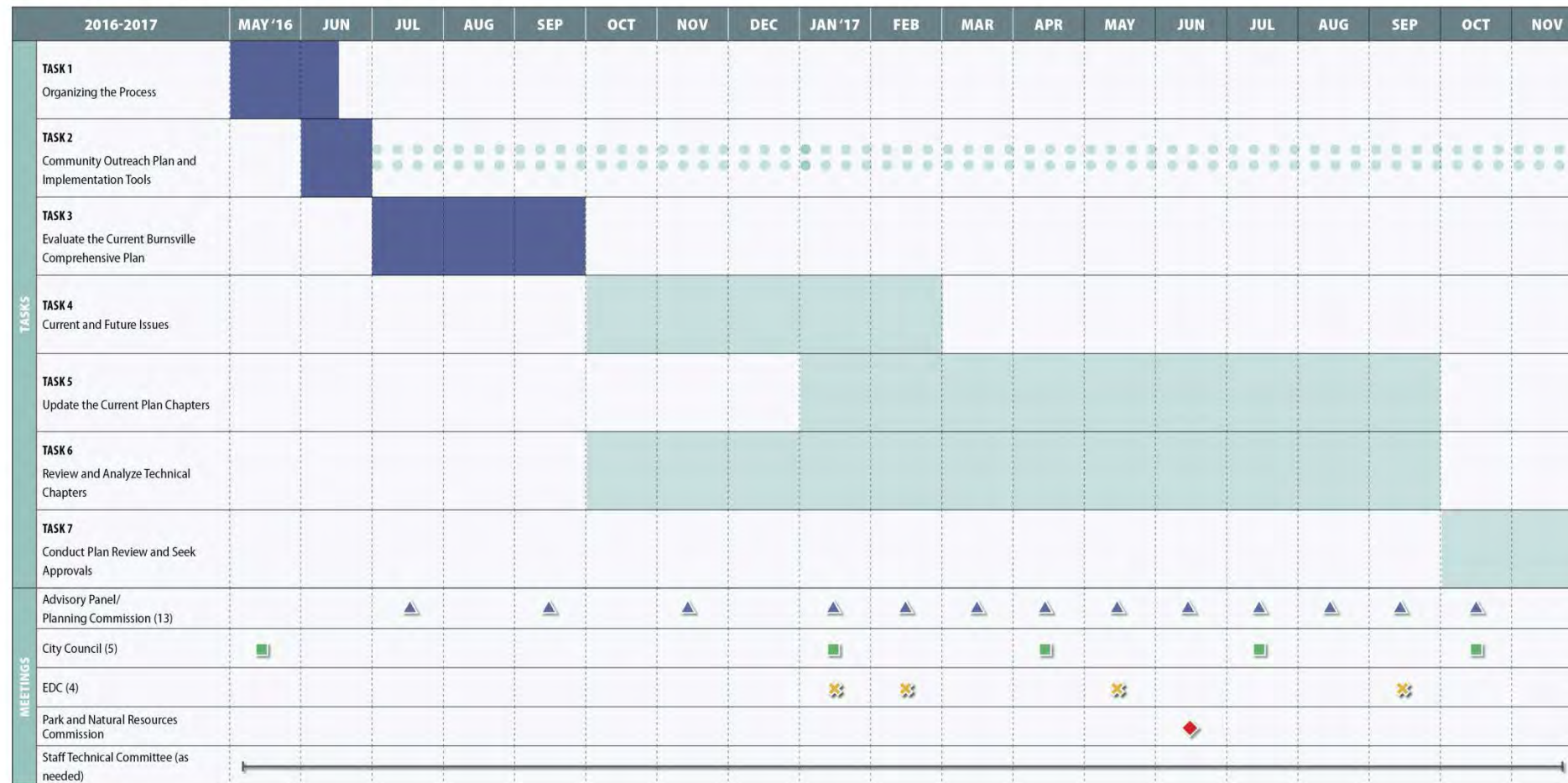
March 20, 2017

Agenda

1. February 20th Meeting Notes
2. Comp Plan Process and Schedule
3. Focus Areas – Market Context & Implementation
 - A. Heart of the City
 - B. MRQ
 - C. Burnsville Center
 - D. Aging Industrial Areas
4. Economic Competitiveness Observations
5. Review Goals – Economic Development Chapter
6. Public Comments
7. Next Steps

Process and Schedule

Burnsville Comprehensive Plan - Task Schedule



- Completed Tasks
- Future or In Process Tasks

3/8/2017

HK
Si Hoisington Koegler Group Inc.

Burnsville Comprehensive Plan - Meetings Schedule

CITY COUNCIL MEETING – MAY 10, 2016

Agenda:

- » Project Overview
- » Review Panel
- » Community Outreach
- » Schedule

ADVISORY PANEL MEETING - JULY 18, 2016

Agenda:

- » What is a Comprehensive Plan?
- » Metropolitan Council and Thrive 2040
- » Planning Process and Timeline
- » Focus Areas
- » Community Engagement

ADVISORY PANEL MEETING - SEPTEMBER 19, 2016

Agenda:

- » Community Engagement
 - Input Received So Far
 - Community Engagement Plan
- » Focus Areas Discussion
 - Aging Industrial
 - Heart of the City (HOC)
 - Orange Line Bus Rapid Transit (BRT) Station Areas
 - Minnesota River Quadrant (MRQ)
- » Community Enrichment Plan
 - Youth Plan Chapter will be broadened into a Community Enrichment Chapter in 2040 Comprehensive Plan

ADVISORY PANEL MEETING - NOVEMBER 7, 2016

Agenda:

- » Summary of Focus Areas Charrette
- » Heart of the City (HOC) Focus Area
 - HOC 2 district concept
 - Orange Line Bus Rapid Transit (BRT) station areas concept
 - Vision elements
- » East Cliff Road Industrial District Focus Area
 - District concept
 - Vision elements
- » Minnesota River Quadrant (MRQ) Focus Area
 - High level concept
 - Vision elements

MAYOR'S CEO ROUNDTABLE – DECEMBER 9, 2016

Agenda:

- » What is a Comprehensive Plan
- » Review Panel
- » Focus Areas
 - Focus Areas Charrette
 - Heart of the City (HOC) and BRT Station Areas
 - East Cliff Road Business Park
- » Minnesota River Quadrant (MRQ)
- » Schedule

CITY COUNCIL MEETING – JANUARY 10, 2017

Agenda:

- » Comprehensive Plan Process Update

ECONOMIC DEVELOPMENT COMMISSION – JANUARY 11, 2017

Agenda:

- » Overview/Observations/Discussion – East Cliff Road Business Park (Larc Industrial Area)
- » Overview – Minnesota River Quadrant (MRQ)
- » Overview – Heart of the City (HOC)/Transit Improvements

ADVISORY PANEL MEETING – JANUARY 30, 2017

Discussion Topic(s):

- » Comprehensive Plan Process/Schedule Review
- » Future Land Use and Community Design
 - Vision and Objectives
 - Goals, Policies and Strategies
 - Vacant Land
 - Major Community Areas
 - Burnsville Center
 - Southcross Center
 - Fairview Ridges
 - Aging Retail Strip Centers

ECONOMIC DEVELOPMENT COMMISSION – FEBRUARY 8, 2017

Discussion Topic(s):

- » Heart of the City(HOC)/Transit
- » Minnesota River Quadrant (MRQ)

ADVISORY PANEL MEETING – FEBRUARY 27, 2017

Discussion Topic(s):

- » Comprehensive Plan Process and Schedule Review
- » Vision and Goals -Housing Plan Chapter
- » Vision and Goals -Neighborhood Plan Chapter
- » Housing Review

ADVISORY PANEL MEETING – MARCH 20, 2017

Discussion Topic(s):

- » Economic Development/Redevelopment

CITY COUNCIL – APRIL 11, 2017

Discussion Topic(s):

- » Comprehensive Plan Process Update

ADVISORY PANEL MEETING – APRIL 17, 2017

Discussion Topic(s):

- » Community Enrichment (Youth and Neighborhoods)

ECONOMIC DEVELOPMENT COMMISSION – MAY, 2017

Discussion Topic(s):

- » Economic Competitiveness
- » Implementation Strategies

ADVISORY PANEL MEETING – MAY 15, 2017

Discussion Topic(s):

- » Transportation

PARK AND NATURAL RESOURCES COMMISSION – JUNE 5, 2017

Discussion Topic(s):

- » Review/input – Parks Chapter

ADVISORY PANEL MEETING – JUNE 19, 2017

Discussion Topic(s):

- » Natural Environment and Parks

CITY COUNCIL – JULY 11, 2017

Discussion Topic(s):

- » Comprehensive Plan Process Update

ADVISORY PANEL MEETING – JULY 31, 2017

Discussion Topic(s):

- » City Services and Facilities

ADVISORY PANEL MEETING – AUGUST 21, 2017

Discussion Topic(s):

- » Review Draft Plan

ECONOMIC DEVELOPMENT COMMISSION – SEPTEMBER, 2017

Discussion Topic(s):

- » Review Draft Plan – Economic Development and Redevelopment

ADVISORY PANEL MEETING – SEPTEMBER 18, 2017

Discussion Topic(s):

- » Review Draft Plan

ADVISORY PANEL MEETING – OCTOBER, 2017

Discussion Topic(s):

- » Planning Commission Public Hearing on Draft Plan Recommendation to City Council

CITY COUNCIL – OCTOBER, 2017

Discussion Topic(s):

- » Review Draft Plan - Approve Plan Submitted to City Council/Planning Commission

Meeting Key

COMPLETED MEETINGS IN ITALICS

FUTURE MEETINGS IN REGULAR

Type of Meeting

-  City Council
-  Advisory Panel
-  Economic Development Commission
-  Park and Natural Resources Commission

Note: This listing of meetings will be updated on a regular basis and discussion topics are subject to change. Meeting dates may be modified and additional meetings may be added as well.

3/8/2017



Hoisington Koegler Group Inc.

A photograph of two dogs running through shallow water, creating a large splash. The dog on the left is a black, white, and tan breed, possibly a Bernese Mountain Dog, with its mouth open and tongue out. The dog on the right is a brown and white breed, possibly an Australian Shepherd, with a white blaze on its face. The background is a blurred green field.

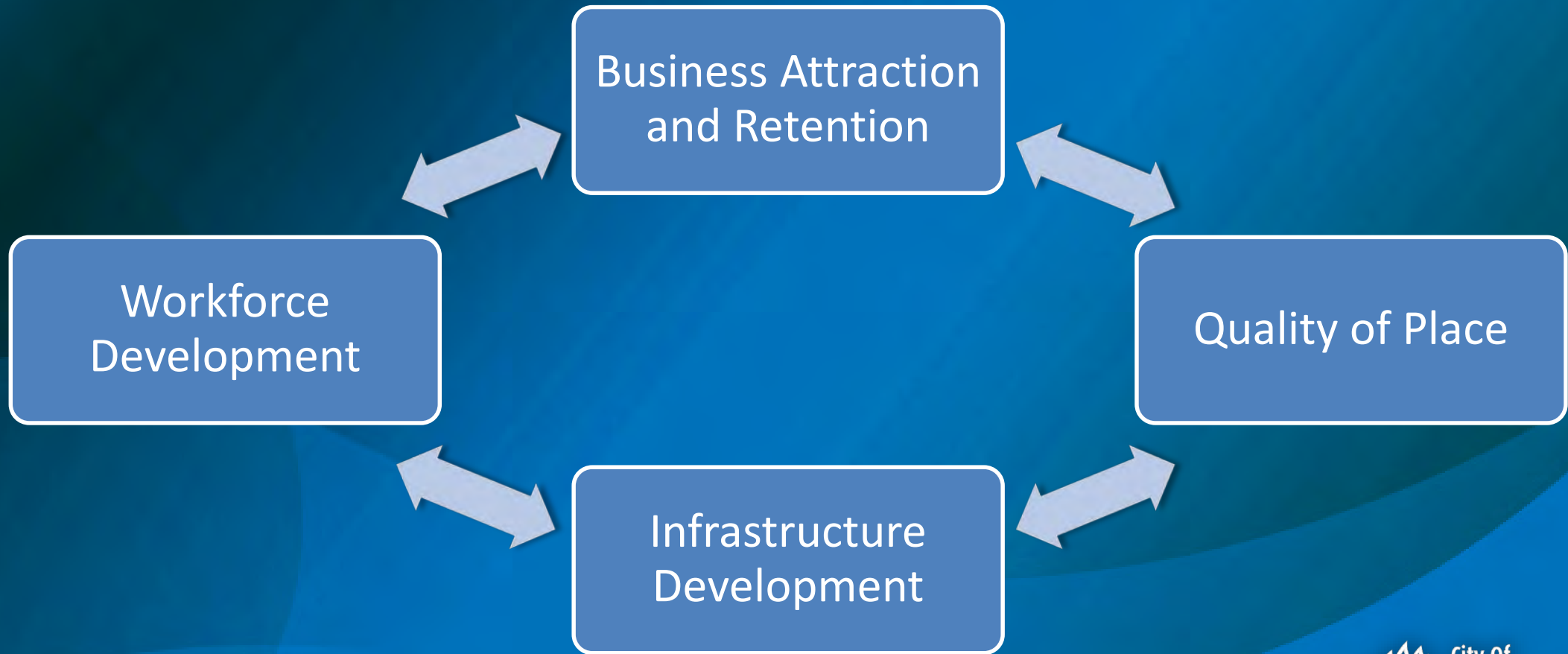
Economic Competitiveness

Michael Probst/AP, March 13, 2017

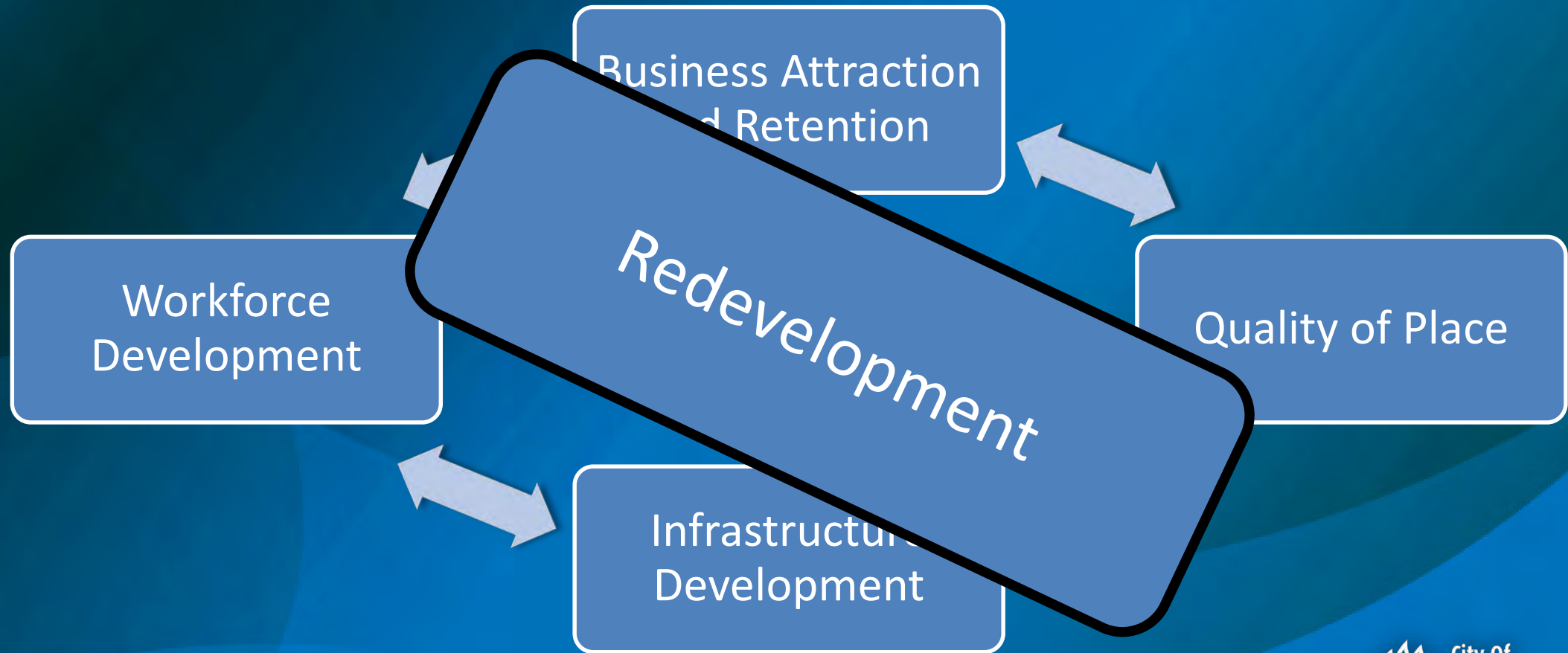


Economic Development is about
improving the economic well-being of a community
by creating and/or retaining jobs
and supporting or growing incomes
and the tax base

Economic Development Strategies

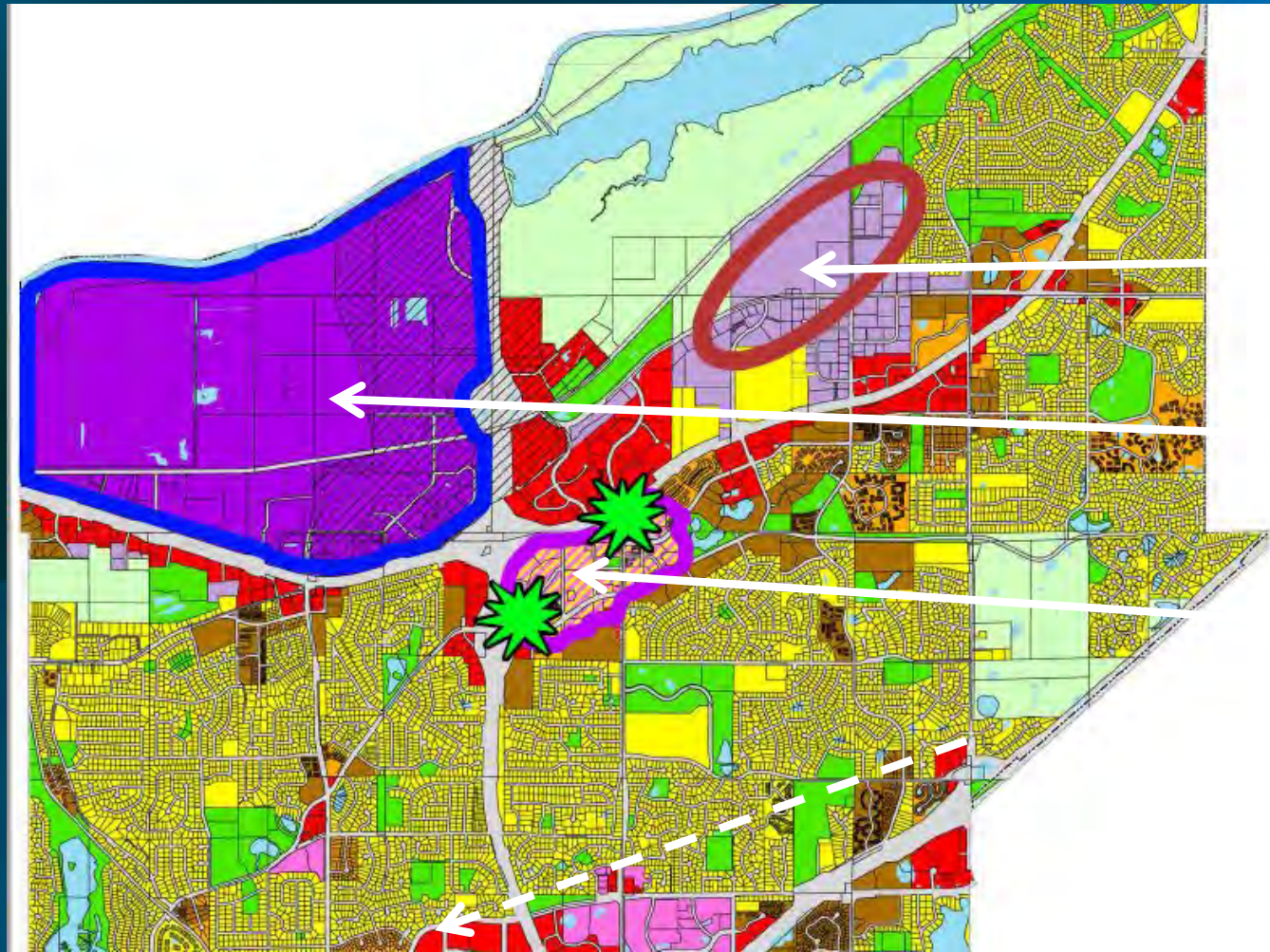


Economic Development Strategies



Geographical Focus Areas: Market Context & Implementation

Focus Areas



Aging Industrial Park
(Cliff Road Business Park)

Minnesota River Quadrant
(MRQ)

Heart of the City
- HOC 1 and HOC 2 Zoning
- Orange Line BRT Station Areas
Including Burnsville Center

Research

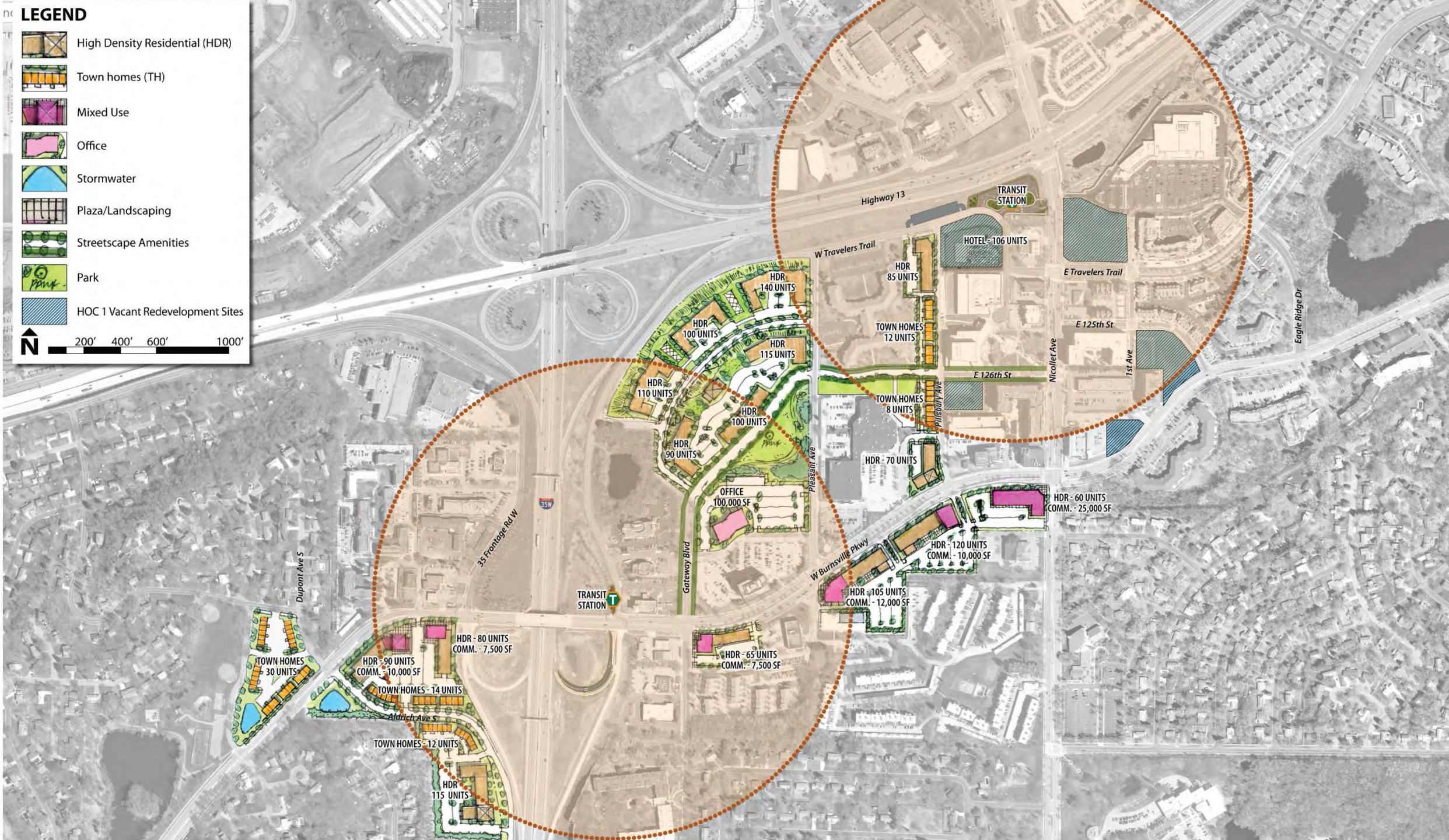
- Site characteristics
- Comparison cities
- Best practices

First person conversations with:

- Kori Dejong, Wellington Management
- Maggie Linvill Smith, Linvill Properties
- John Allen, Industrial Equities
- Jack Matasosky, CERRON Properties
- Roz Peterson, APPRO Development
- Richard Tucker, Coldwell Banker
- Brian Merz, HJ Development
- Eric Hansen, City of Brooklyn Park
- Dan Cornejo, Cornejo Consulting

Heart of the City 2

LEGEND



HOC2: Market Overview

- Strong market assets. Walkability, density of people and businesses, amenities, transit availability
- “Sense of place” is HOC’s competitive advantage
 - Bus Rapid Transit will strengthen character, housing market
- New multifamily housing
 - Continuing demand, strongest in a walkable radius of Nicollet Avenue
 - Appeals to a mix of empty nesters and millennials
- New retail
 - Strongest locations for additional pedestrian-oriented retail are those are an immediate extension of the HOC retail area

HOC2: Implementation

Implementation of development concepts will vary, depending on:

- Land ownership
- Proximity to HOC amenities.

HOC2: Implementation

Liner Housing @ Realife Cooperative of Burnsville

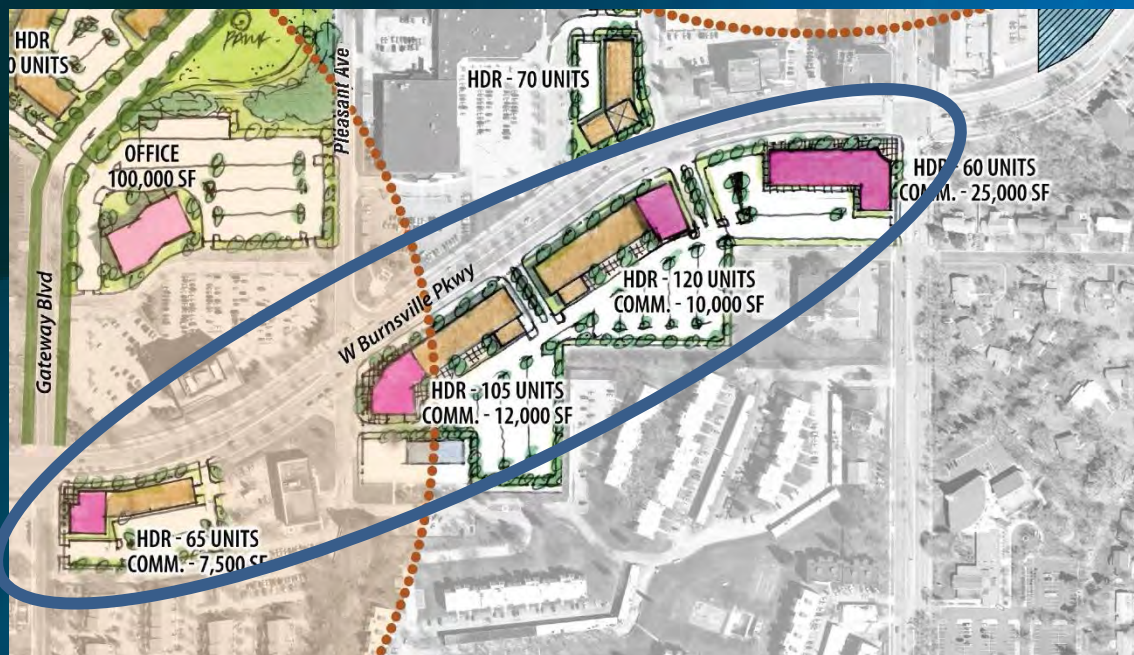


Implementation Strategy

- Cooperative is in drivers seat
 - Direct negotiation between Cooperative and commercial property owners
- Public role
 - Indicate policy support
 - Provide supportive development approvals as needed
 - May not need financial subsidy

HOC2: Implementation

Mixed Use Development along Burnsville Parkway



Implementation Strategy

- Developer initiated
 - TIF, or other financial support, may be needed
- Public sector provides clear guidance and regulatory framework:
 - Preference for mixed use projects
 - Desired density levels
 - Development standards, such as building orientation, parking location, design characteristics, etc

HOC2: Implementation

Multifamily housing at northwest corner of HOC2



Implementation Strategy

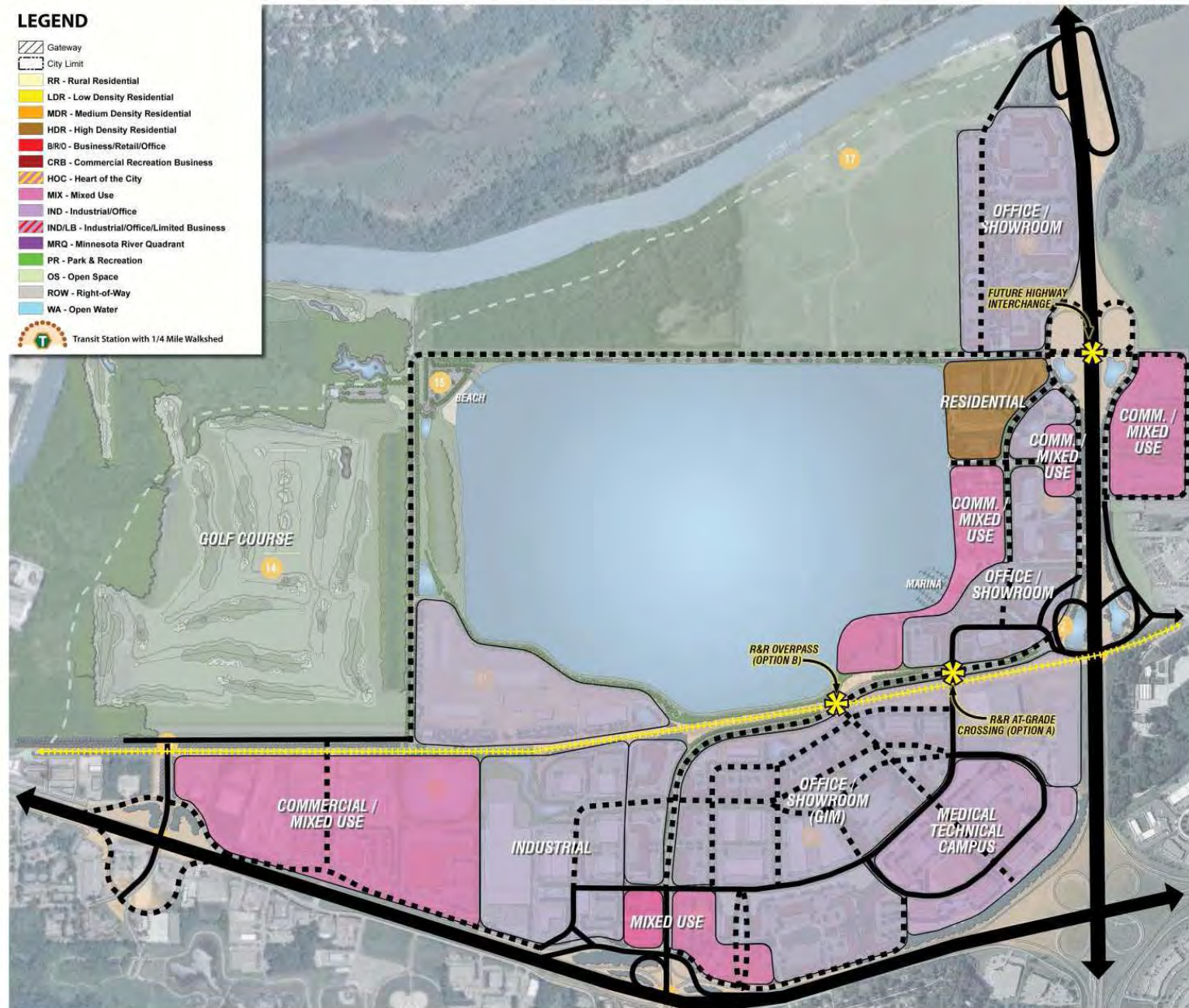
- Developer initiated
 - With support of property owner
- Public sector sets the stage through:
 - Extending W 126th Street
 - Building new park & 126th & Pleasant
 - Policy and zoning support for multifamily development
 - TIF, or other financial support, is likely to be needed

Minnesota River Quadrant

MINNESOTA RIVER QUADRANT - CURRENT FUTURE LAND USE PLAN

LEGEND

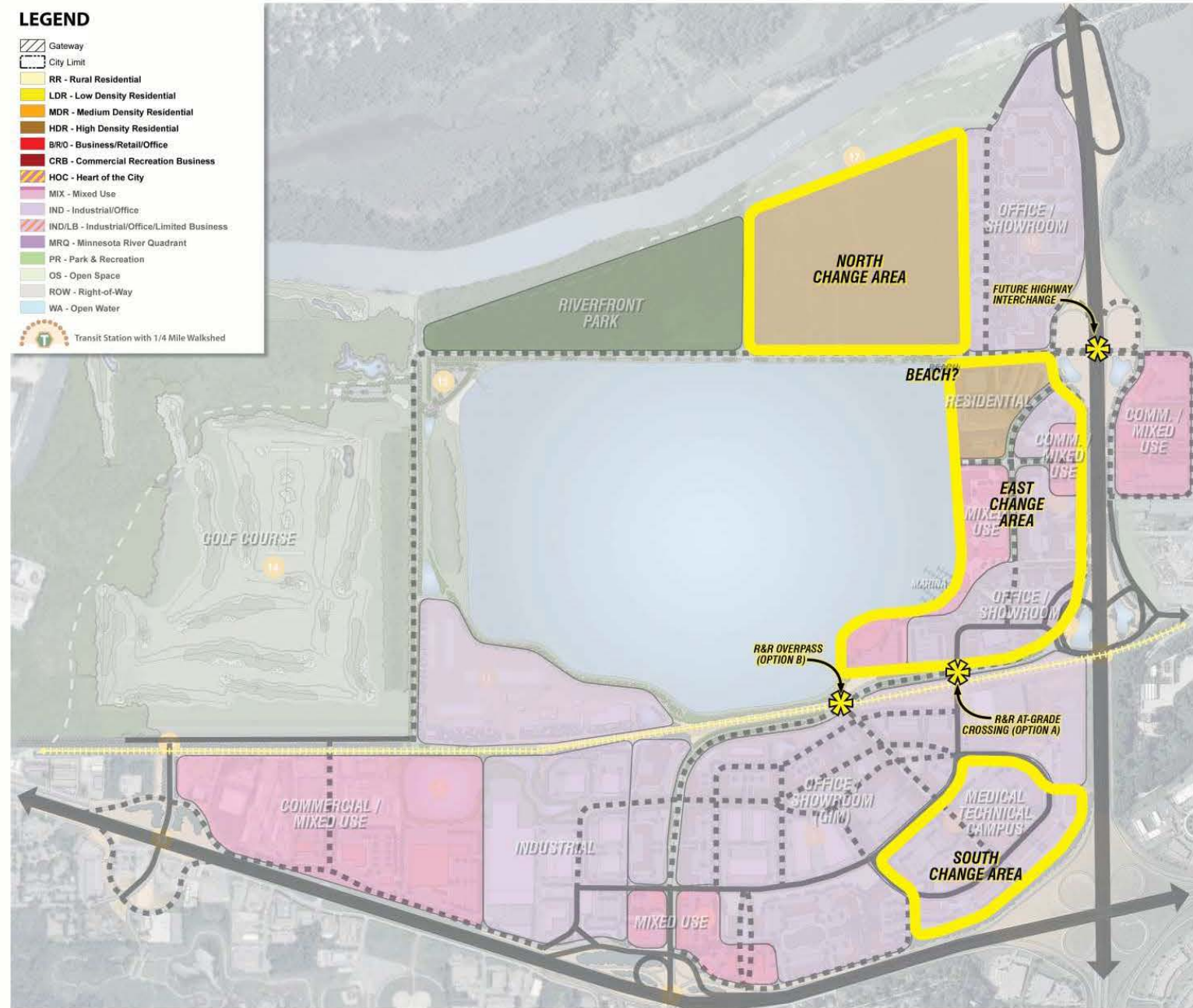
-  Gateway
-  City Limit
-  RR - Rural Residential
-  LDR - Low Density Residential
-  MDR - Medium Density Residential
-  HDR - High Density Residential
-  B/R/O - Business/Retail/Office
-  CRB - Commercial Recreation Business
-  HOC - Heart of the City
-  MIX - Mixed Use
-  IND - Industrial/Office
-  IND/LB - Industrial/Office/Limited Business
-  MRQ - Minnesota River Quadrant
-  PR - Park & Recreation
-  OS - Open Space
-  ROW - Right-of-Way
-  WA - Open Water
-  Transit Station with 1/4 Mile Walkshed



MINNESOTA RIVER QUADRANT - POTENTIAL LAND USE CHANGE AREAS

LEGEND

-  Gateway
-  City Limit
-  RR - Rural Residential
-  LDR - Low Density Residential
-  MDR - Medium Density Residential
-  HDR - High Density Residential
-  B/R/O - Business/Retail/Office
-  CRB - Commercial Recreation Business
-  HOC - Heart of the City
-  MIX - Mixed Use
-  IND - Industrial/Office
-  IND/LB - Industrial/Office/Limited Business
-  MRQ - Minnesota River Quadrant
-  PR - Park & Recreation
-  OS - Open Space
-  ROW - Right-of-Way
-  WA - Open Water
-  Transit Station with 1/4 Mile Walkshed



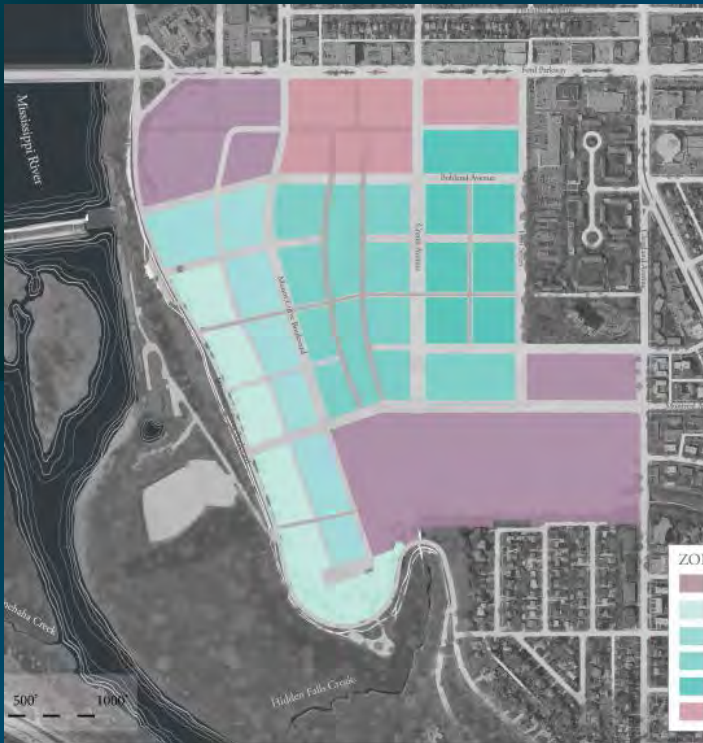
ville

MRQ Market Overview

- We support the conclusion of previous plans, that over the long run this area has the potential to be the setting for a signature area for Burnsville—a high value, high amenity community, with industrial, office, and residential components
- Unusually strong market assets
 - Freeway access
 - Visibility
 - Scale of opportunity
 - Simplicity of ownership
 - Future lake, riverfront access
- Could support high quality development of the following types:
 - Office HQ
 - A new mixed-density neighborhood
 - Business park
 - Limited neighborhood serving retail

MRQ Comparables

Ford Site
St Paul



TCAAP Site
Arden Hills



New Brighton Exchange
New Brighton



MRQ: Implementation

- Implementation challenge
 - Long time frame means a challenge to ensure that incremental development that occurs in the near term will, in its development type, quality, and location, support the potential for signature development in the long run
- Provide guidance that:
 - Allows for flexibility to accommodate changing conditions
 - Establishes quality level of interim development

Burnsville Center Area

CO RD 42 W

BURNSVILLE
CENTER



CO RD 42 W

What is the opportunity for development at the Burnsville Center Mall transit station?

What is the market condition of the Burnsville Center Mall?



Super-Regional Malls

| Center Name | Year Built | Leasable Area (s.f.) |
|---------------------|------------|----------------------|
| Maplewood Mall | 1974 | 815,994 |
| Northtown Mall | 1972 | 938,277 |
| Ridgedale Center | 1974 | 1,302,067 |
| Southdale Center | 1956 | 1,342,511 |
| Burnsville Center | 1977 | 1,357,598 |
| Rosedale Center | 1968 | 1,383,605 |
| Eden Prairie Center | 1975 | 1,874,123 |
| Mall Of America | 1992 | 2,769,954 |

What's Happening Locally

Ridgedale Center

- Expansion and consolidation of Macy's (2014)
- 50,000 s.f. new retail, and new full-line Nordstrom's (2015)
- New apartments, 115 units, across Plymouth Avenue
- Ridgedale Village Center Study (2014) looked at potential development scenarios near Ridgedale.



What's Happening Locally

Southdale Center

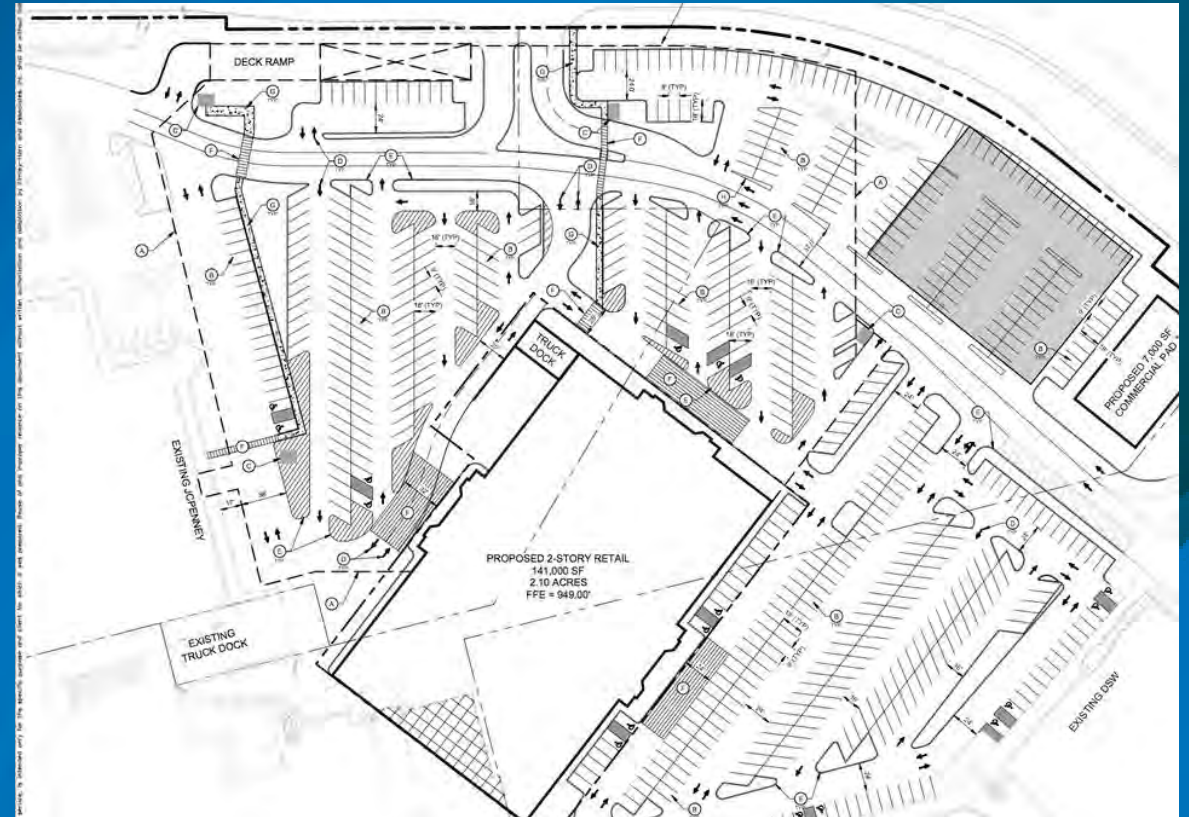
- New housing development—One Southdale Place, 232 units of luxury apartments on Southdale property
- New hotel is under development—Homewood Suites, at another corner of the parking lot
- Rental housing and infill office development are proposed and under development nearby



What's Happening Locally

Rosedale Center

- The vacant east anchor was demolished in 2005, and replaced by a new open-air lifestyle wing with AMC theater
- 140,000 s.f. expansion planned to start early 2017 for Von Maur department store, plus new parking ramp, and interior renovations.



What's Happening Locally

Eden Prairie Center

- Major expansion and renovation in 2001, included Von Maur department store and AMC theater additions
- AMC theater upgrades in development



What's Happened at Burnsville Center

- 15-screen movie theater opened (2008)
- Renovation, scale of investment unknown (2011)



What's Happened Locally

Major Repositioning, Last 10 Years

| | Burnsville Center | Ridgedale Center | Southdale Center | Rosedale Center | Eden Prairie Center |
|--|-------------------|------------------|------------------|-----------------|---------------------|
| Mall Addition | | X | | X | |
| New Housing Development on Property | | | X | | |
| New Housing Development, Adjacent Property | | X | X | | |

Implementation:

Strategies for Encouraging Investment

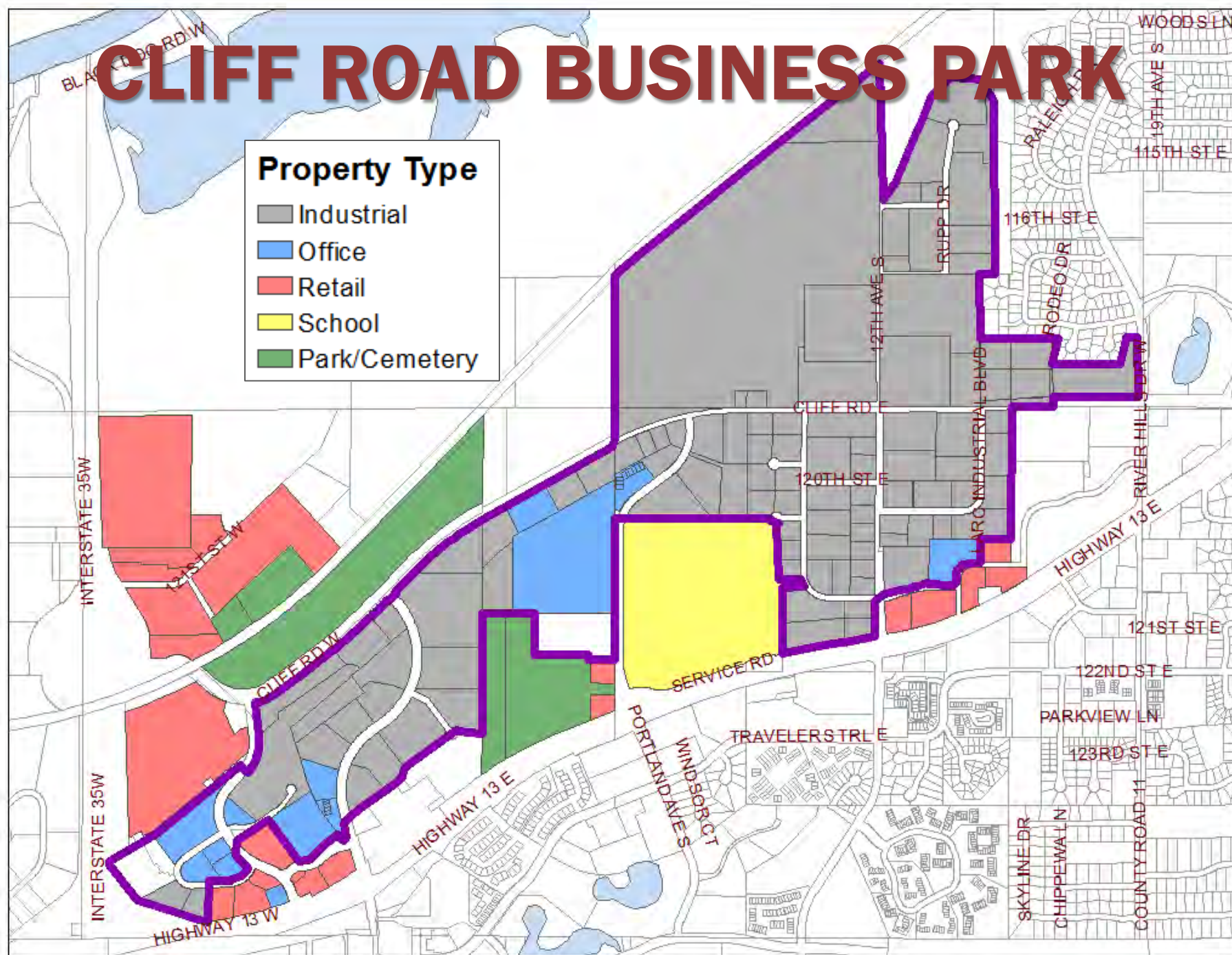
- Mall property owner is in driver's seat
- Invite owner's attention to property potential, by:
 - Partner on study similar to Minnetonka's study of development at Ridgedale
 - Highlight best practices nationally
 - Invite developer interest
 - Highlight the TOD potential of east side of property
 - Don't focus exclusively on the Burnsville Center site. Include nearby opportunities.

“AGING INDUSTRIAL AREA”

The concern is negative perceptions and disinvestment leading to declining functionality and appearance.

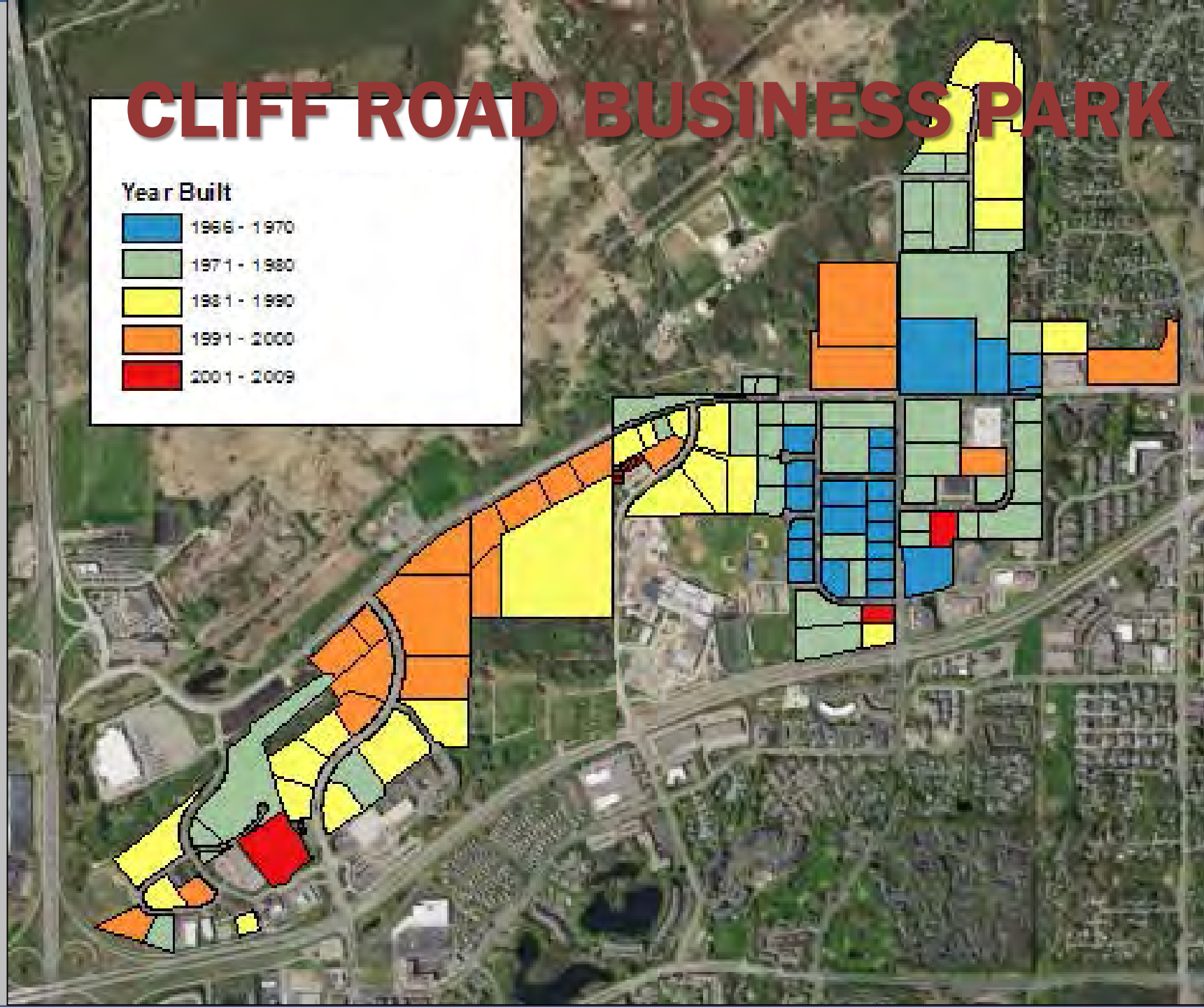
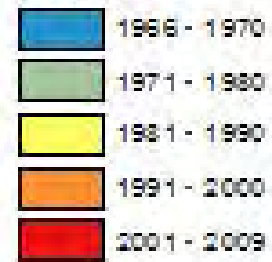
The goal is to preserve the long run viability of the area through fostering redevelopment or reinvestment.

CLIFF ROAD BUSINESS PARK



CLIFF ROAD BUSINESS PARK

Year Built



EAST CLIFF INDUSTRIAL AREA

Character and Investments

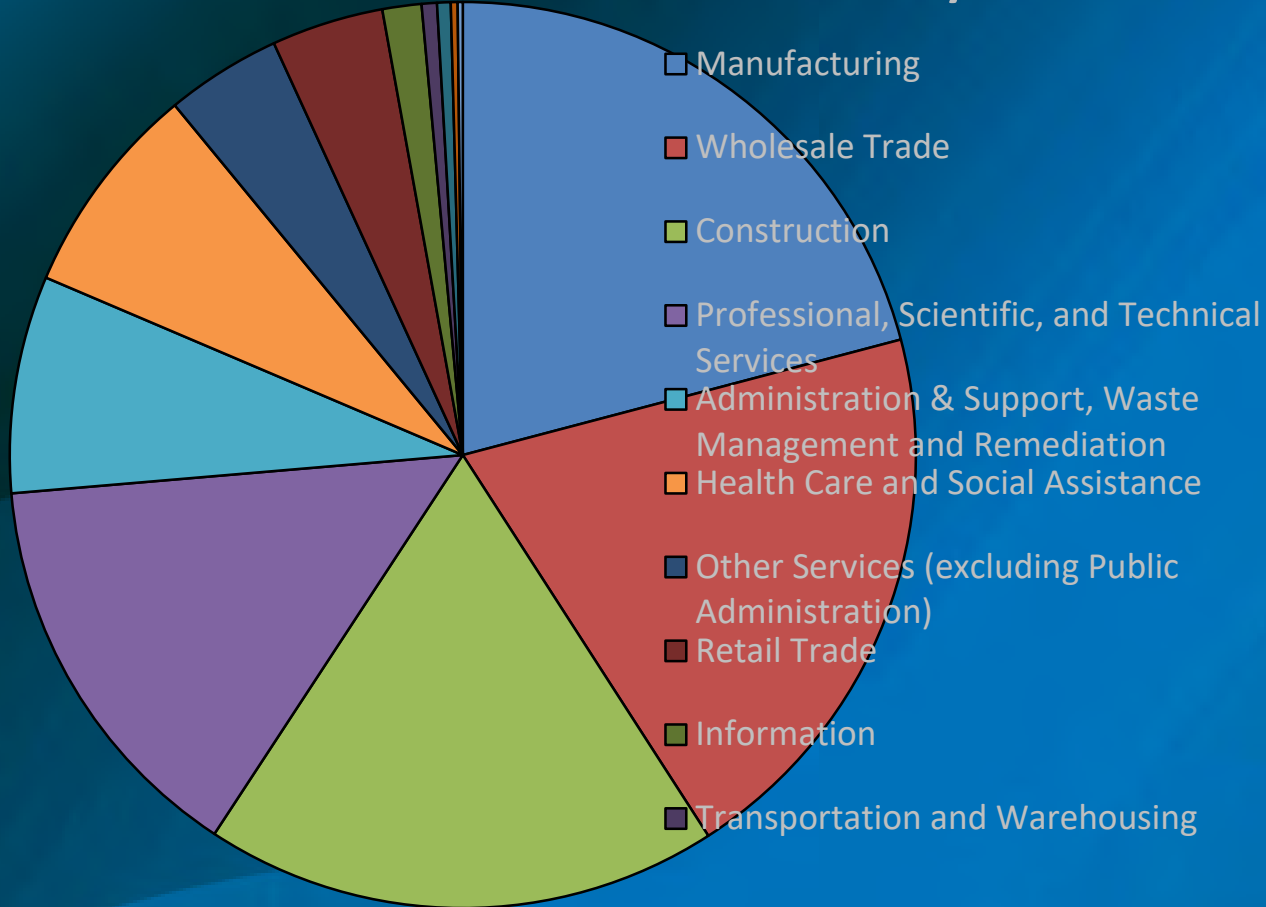
- Many businesses!
 - Most buildings are multitenant
- Broad mix of business types
- Building appearance is mixed
- Some owners are investing in buildings
 - Energy efficiency
 - Façades
 - Functional improvements
- Major adaptations are less common

Cliffview Center, Linvill Properties



Business Mix

Cliff Road Business Park area - Jobs by NAICS code



Industrial means more than manufacturing. It's PDR—Production, Distribution and Repair

They include:

- Wholesale businesses
- Warehousing and distributing
- Research and Development
- Contractor's offices

EAST CLIFF INDUSTRIAL AREA

Strengths

- Flat
- Buffered
- Access to regional network
 - Regional center of gravity has shifted south
- Nearby amenities
- City reputation for constructive relationships
- Variety of small to medium spaces
 - Incubator-ish
 - Can accommodate businesses at different stages of growth

EAST CLIFF INDUSTRIAL AREA

Weaknesses

- Older facilities
 - Many built in '60s, '70s
 - Low clear heights (14')
 - Configuration of loading docks and interiors
 - Appearance
 - Older buildings sacrifice 10% to 15% on rents
- Lack of business district identity
- Minnesota River is a barrier for some (but closer than greenfield areas)

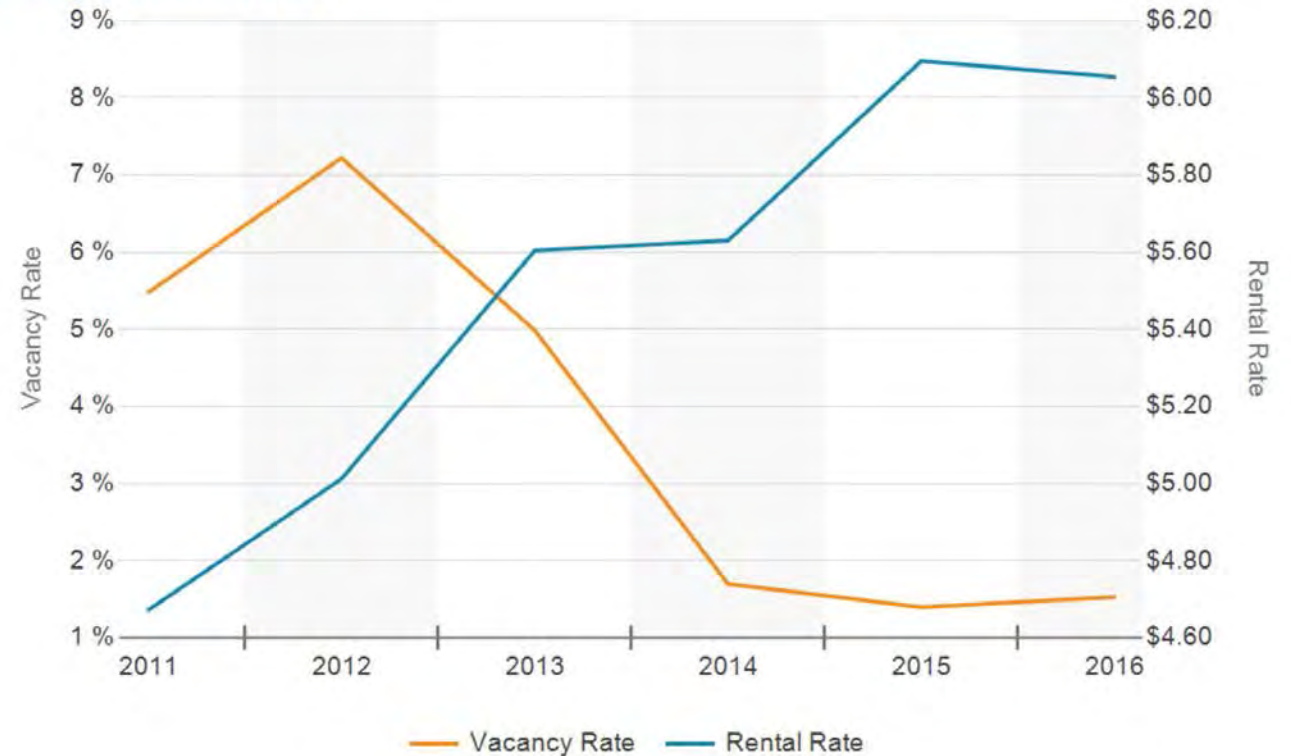
EAST CLIFF INDUSTRIAL AREA

Market Findings

- There is a market for older generation industrial space
- However, lower ceiling heights take a segment of prospective tenants off the table
- Some report difficulty attracting tenants to the area
- But once a business moves to Burnsville, it tends to stay

In general, area is viable,
properties cash flow

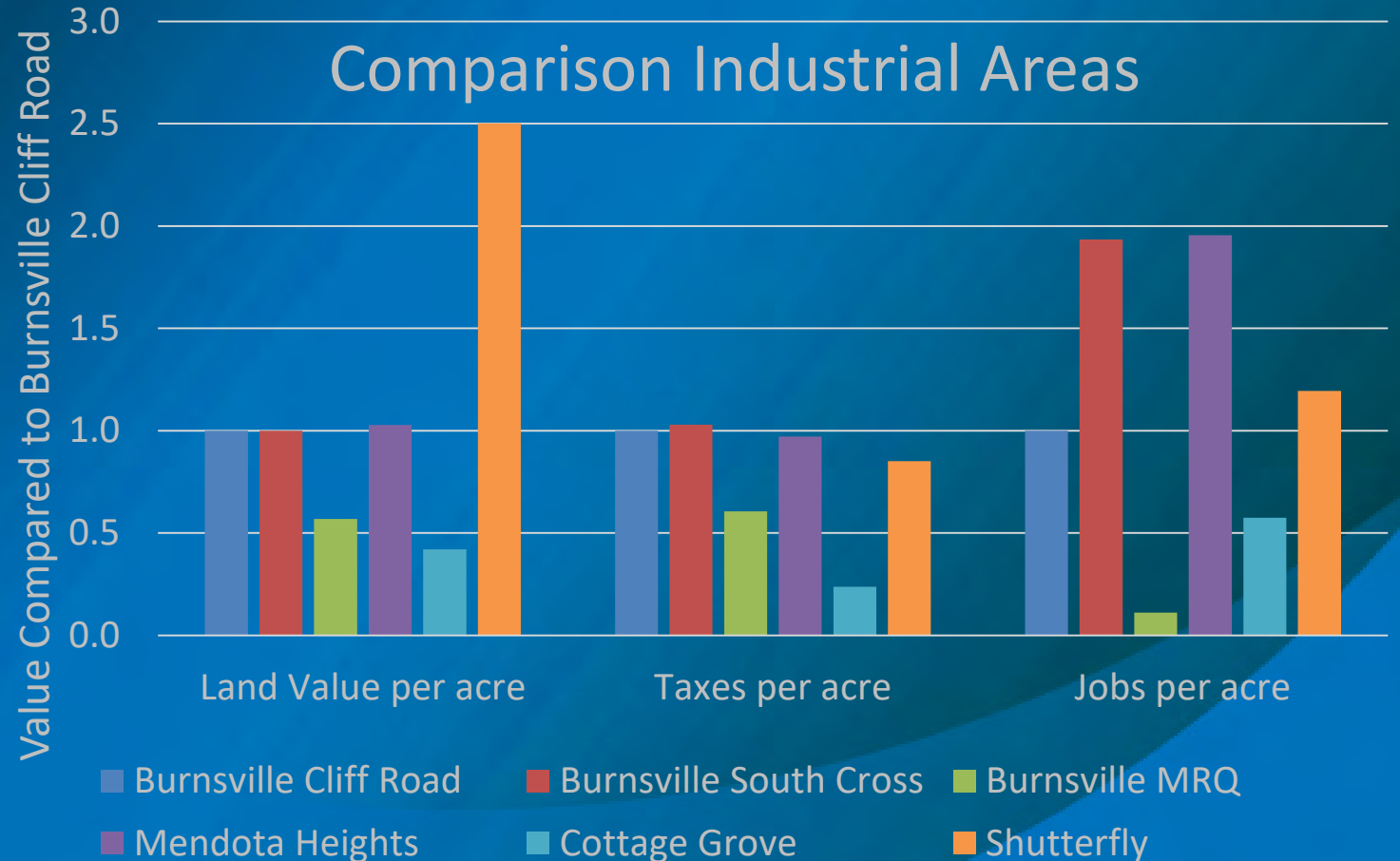
Vacancy & Rental Rates



EAST CLIFF INDUSTRIAL AREA

Public Value of Area

- Older industrial development patterns are job intensive
- Property taxes
- Part of balanced economy
- Can cultivate new and young businesses

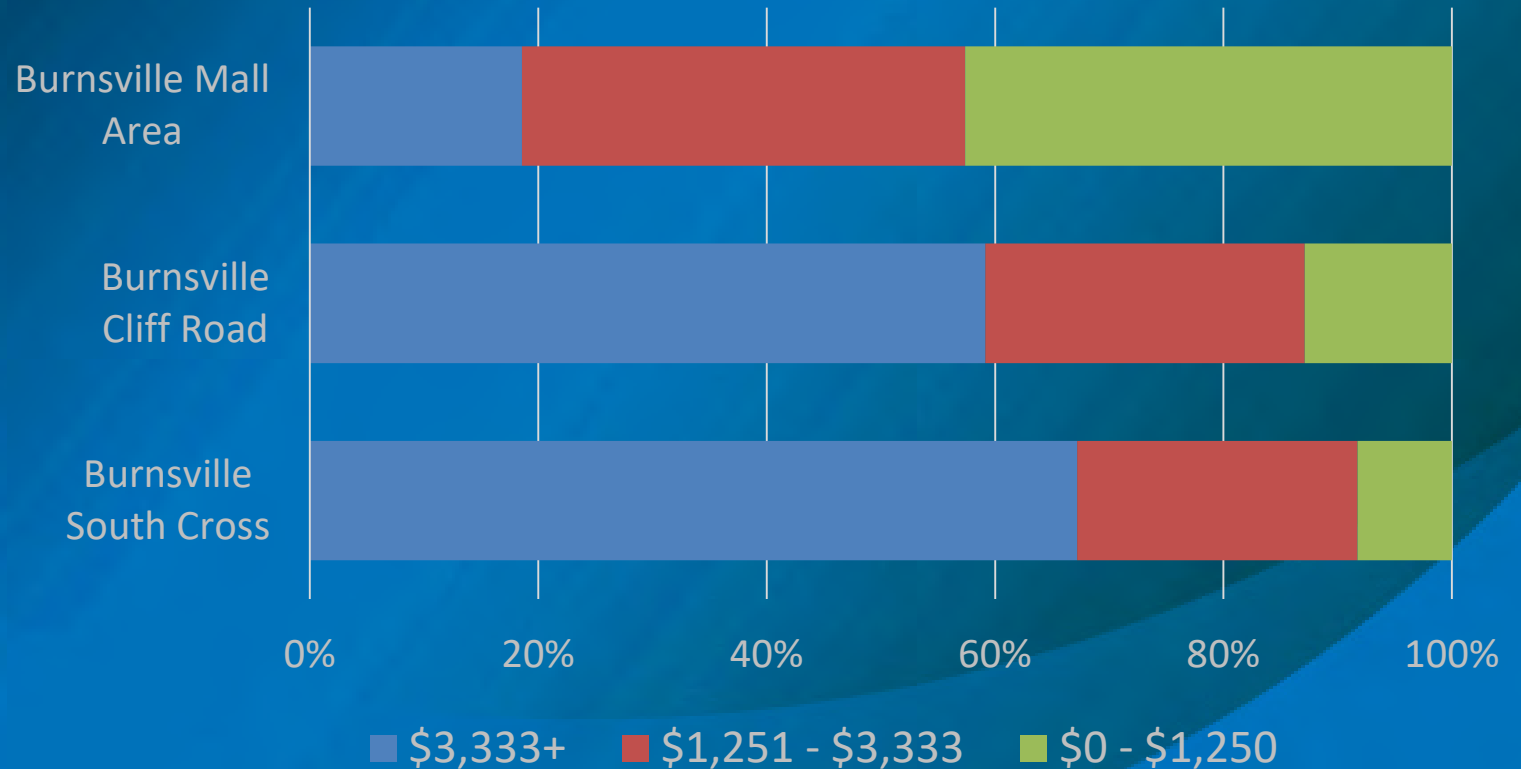


EAST CLIFF INDUSTRIAL AREA

Public Value of Area

- Offers better paying jobs than retail employers

Monthly Pay of Workers



FINDINGS

- **Cliff Road Business Park has value for Burnsville**
 - Complementary to South Cross area
 - Character is entrepreneurial, small business
- **Properties are economically viable**
 - They cash flow, are marketable
- **Rehab and adaptation is more viable than redevelopment**

Nicollet Business Center, Building C
Wellington Properties

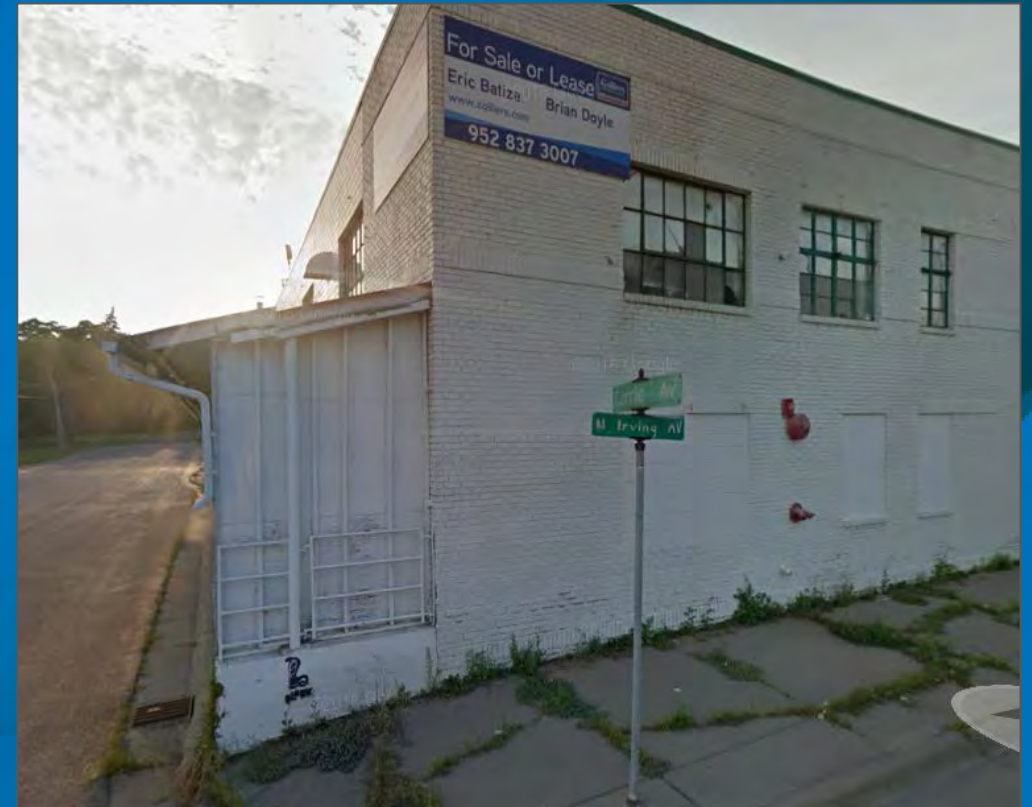


FINDINGS

Long-Run Concerns

- Disinvestment tipping point
 - Lack of investment results in further functional obsolescence, poor visual presentation of area
 - Area conditions reduce motivation to maintain and upgrade properties
- Introduction of incompatible uses
 - Commitment to long-term industrial character may appear uncertain
- It's timely to take some proactive actions in support of area

Leef Brothers, Minneapolis



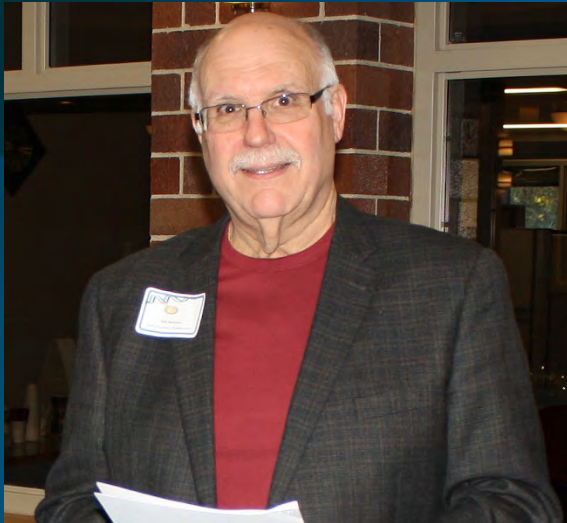
APPROACHES

1. Business Friendly Public Sector
2. Land Use Protection
3. Redevelopment
4. Facility Upgrade and Rehabilitation
5. Area Branding
 - Visual Improvements
 - Marketing
 - Character Enhancement

APPROACH #1 – BUSINESS FRIENDLY PUBLIC SECTOR

PRINCIPLE

Businesses want to locate and stay in a city that is supportive and customer service oriented



INTERVIEW FEEDBACK

- Burnsville has a firm but fair attitude with developers. “I am confident that Burnsville can deliver for a customer who is on a time schedule.”
- The City is very cooperative. Staff are problem solvers. “It has never backfired to call the city.”
- Skip Nienhaus was mentioned as an asset by a couple of our interviewees

A+

APPROACH #2 – LAND USE PROTECTION

PRINCIPLE

Industrial businesses must have confidence that the area will remain industrial. Random, incompatible uses give a mixed signal.



Zoning is the chief tool for accomplishing this.

Must strike a balance between:

- Prohibiting uses that may communicate a weakened long-term commitment to an industrial business district
- Providing reasonable flexibility (particularly for challenging properties)

APPROACH #3 – REDEVELOPMENT

PRINCIPLE

New industrial development signals market strength and momentum



- Redevelopment to new industrial will not be financially viable for most properties. But there may be exceptions, where there is a higher degree of functional obsolescence and deferred maintenance.

APPROACH #3 – REDEVELOPMENT

Strategies

- Don't support redevelopment to incompatible uses
- Be prepared to support and guide industrial redevelopment
 - Identify public tools and resources that are potentially available
 - Utilize development guidelines for new industrial properties



APPROACH #4 – FACILITY IMPROVEMENTS

PRINCIPLE

Property rehabilitation and modernization signals investor confidence, and renews the long-term viability of facilities

Hillcrest Renovation of Nestle's Building, St Louis Park



Facility improvements can include:

- *Functional modifications such as raising ceilings, adding truck bays, changing how building interiors are partitioned, etc.*
- *Energy efficiency improvements such as insulating roofs, replacing windows, and upgrading lighting, HVAC or mechanical equipment*

APPROACH #4 – FACILITY IMPROVEMENTS

STRATEGIES

1. Support building evaluations
 - Evaluate the physical and financial viability of building modifications that improve long-term functionality and marketability
 - Combine with energy efficiency evaluation?
 - Information provision is a cost-effective first step in improving buildings.
2. Consider industrial rehab support program
 - Public purpose is key
 - Consider range of financial support—tax abatement, matching grants, loan guarantees
 - Financial support includes good-neighbor design expectations
3. Build relationships with creative industrial developers who are experienced at repositioning older properties

APPROACH #4 – FACILITY IMPROVEMENTS

Example

Hillcrest

Development:

Nestle's

Repositioning



APPROACH #4 – FACILITY IMPROVEMENTS

Example

Philadelphia offers a 10-year abatement of real estate taxes on qualifying rehabilitation or construction to encourage urban development and improvements to certain deteriorated industrial and commercial properties.



APPROACH #5 – AREA BRANDING/ VISUAL IMPROVEMENTS

PRINCIPLE

Actions that elevate the area's identity in the real estate and business community can improve business and workforce retention and attraction

APPROACH #5 – AREA BRANDING/ VISUAL IMPROVEMENTS

Public Realm Visual Improvements

Plan and create:

- Welcoming entrances
- Streetscape enhancements

Private Realm Visual Improvements

- Coordinate, and promote:
 - Façade, signage improvements
 - Landscaping improvements
- Consider creating façade improvement matching fund

APPROACH #5 – AREA BRANDING/ VISUAL IMPROVEMENTS

Branding

- Name the business district
 - Perhaps “Cliff Road Business Park”...
- Allows City and real estate community to market Cliff Road and South Cross areas
- There are numerous promotion strategies (e.g., road rally...)
 - Business community and City can work together on this



APPROACH #5 – CHARACTER BUILDING

Businesses and workers are drawn to areas that have identity and cachet.

The Cliff Road Business Park area is already:

- Entrepreneurial
- Small business hotbed
- “Community” of businesses
- Connected
 - Amenities
 - Bike trails

What if the business district was treated like an incubator?

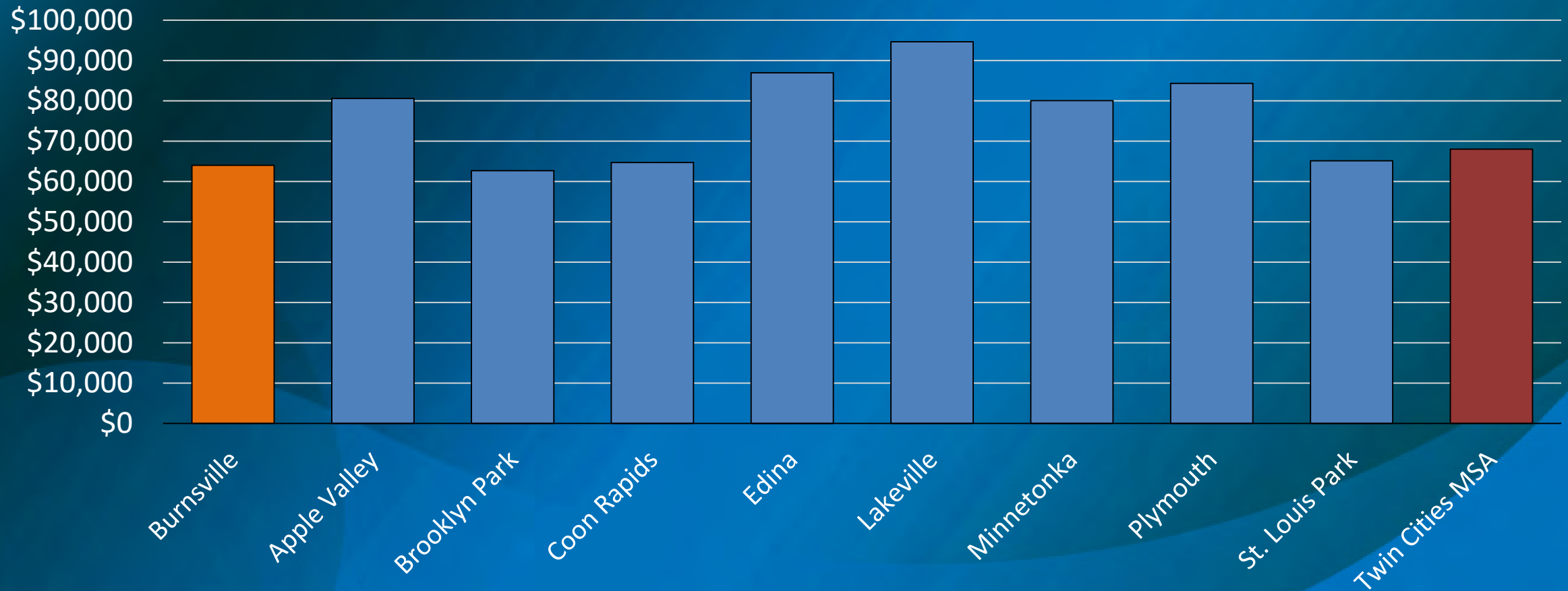
Find ways to:

- Bring more technical assistance, business coaching, cross-training
- Promote shared services

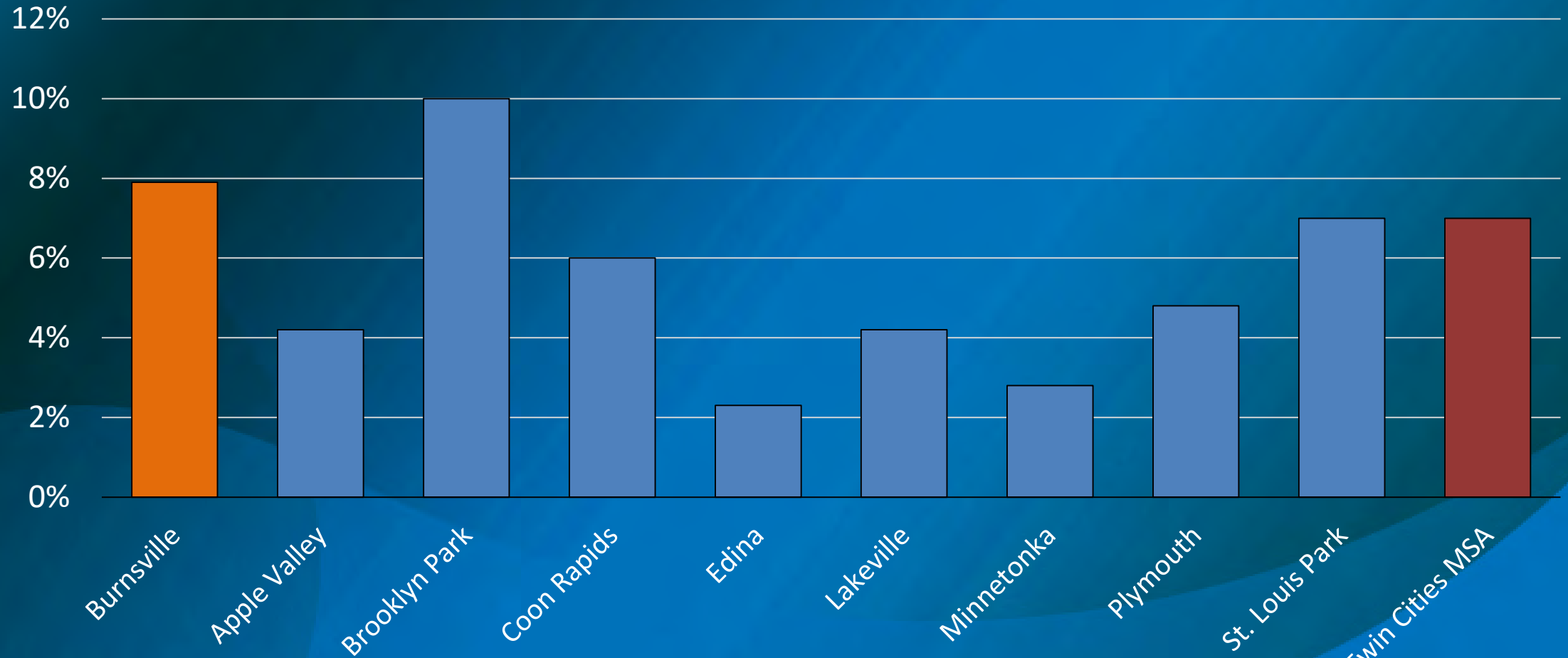


Economic Competitiveness Observations

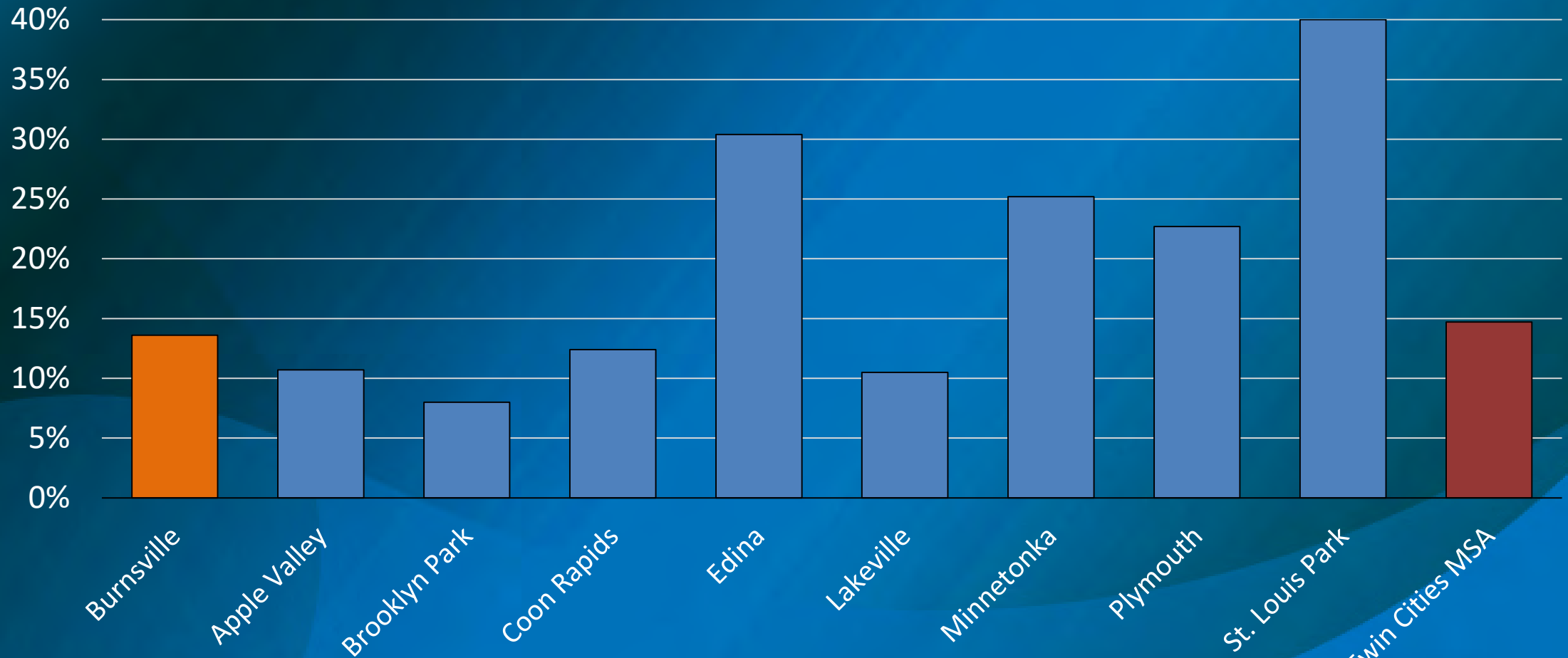
Median Household Income



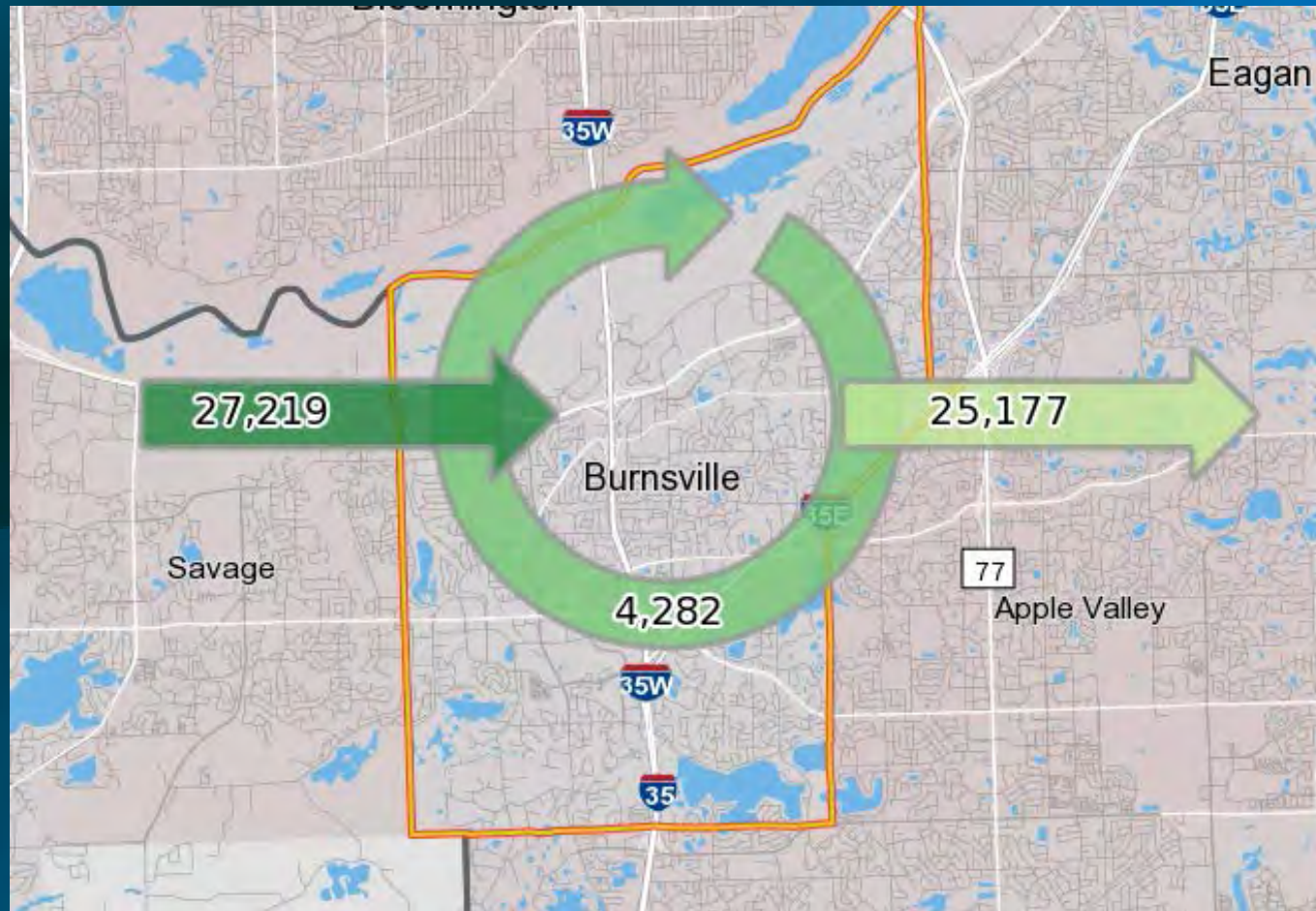
Families with Income below Poverty Line



Percentage with Bachelor's Degree

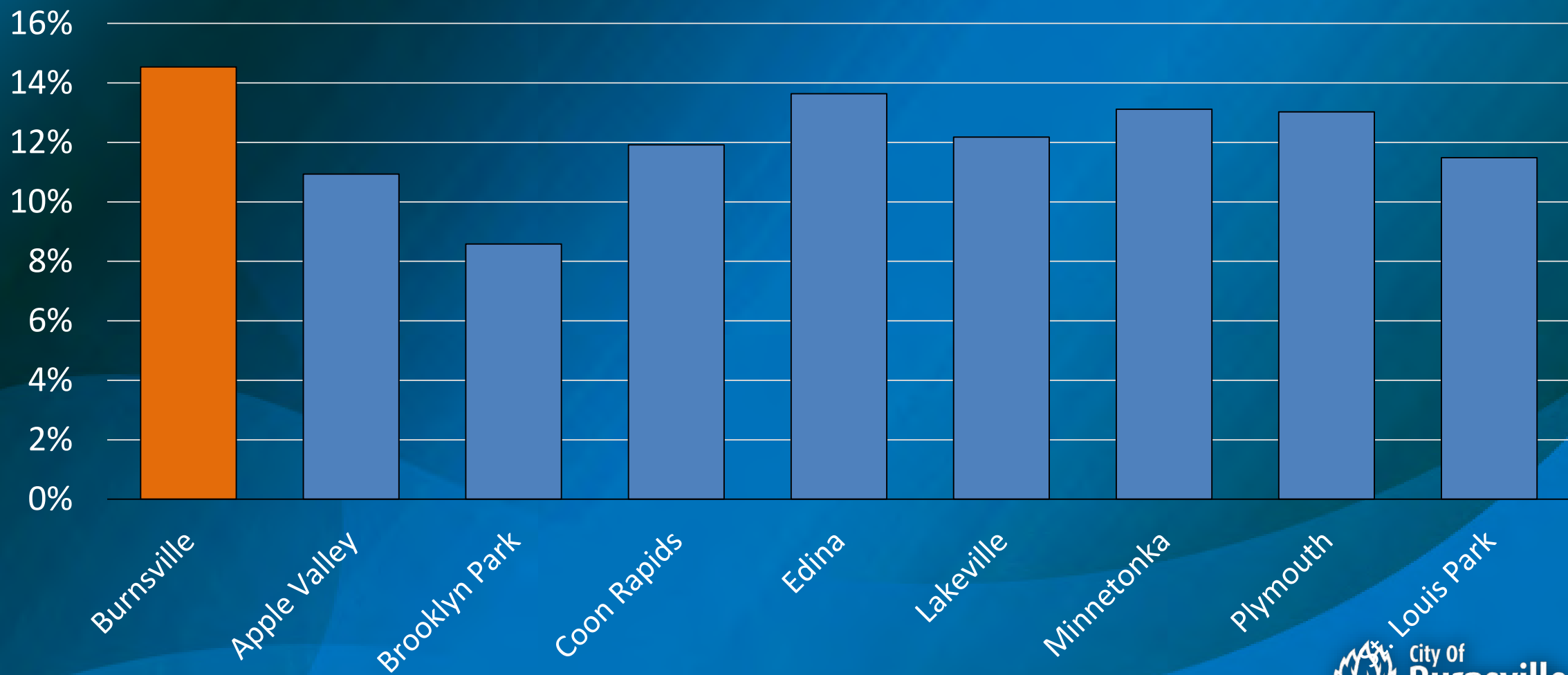


Flow of Workers In and Out of Burnsville

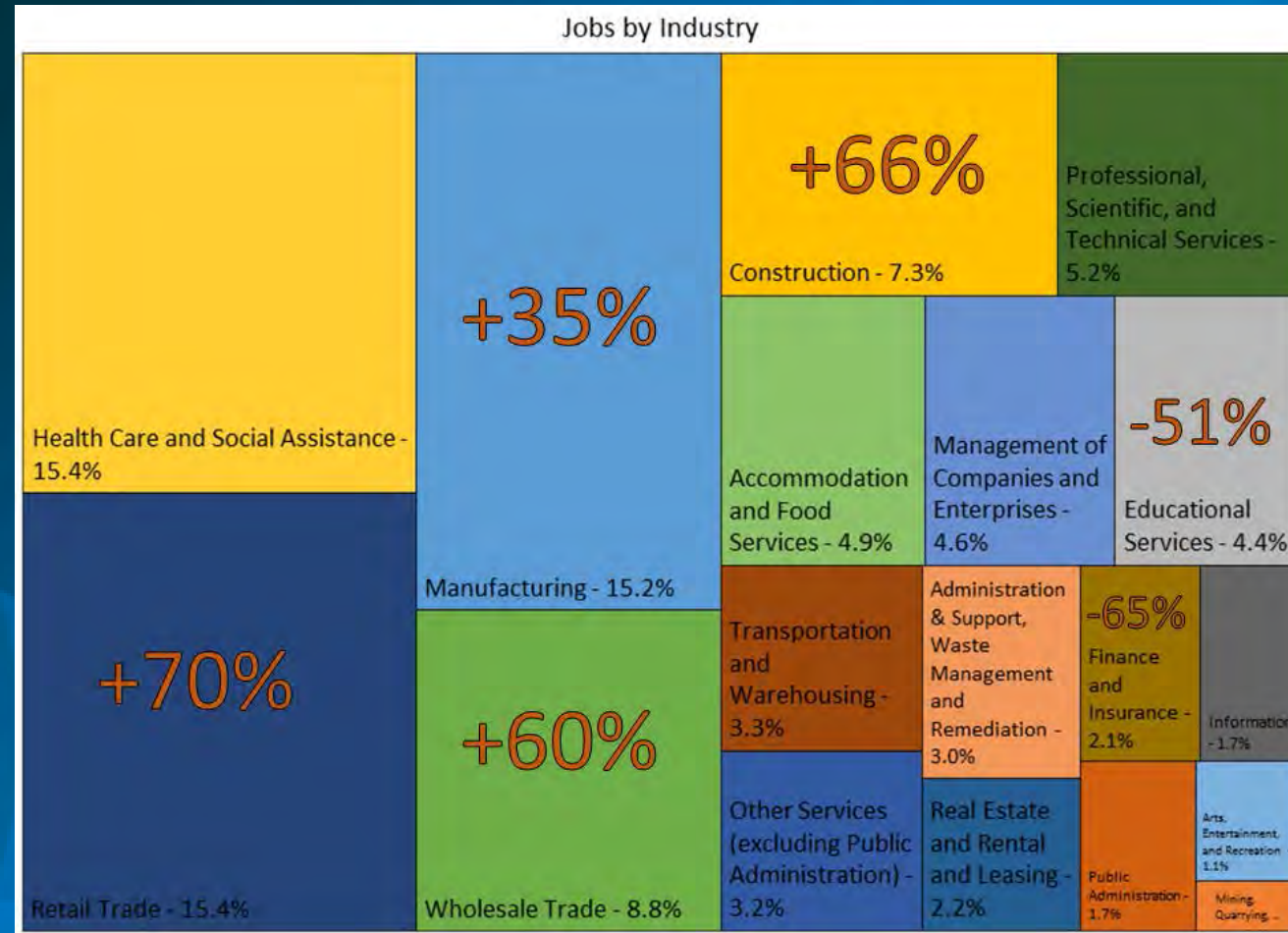


- ➡ Employed and Live in Selection Area
- ➡ Employed in Selection Area, Live Outside
- ➡ Live in Selection Area, Employed Outside

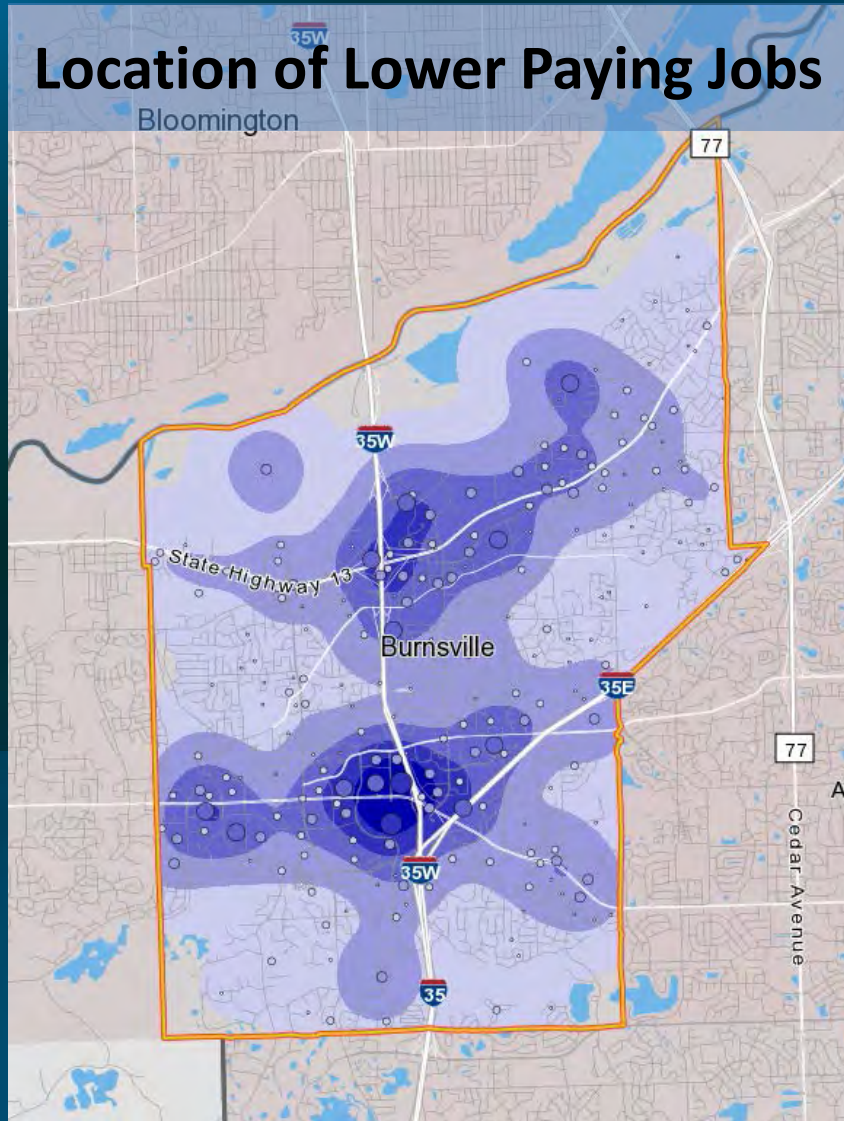
Percentage That Work in “Home” City



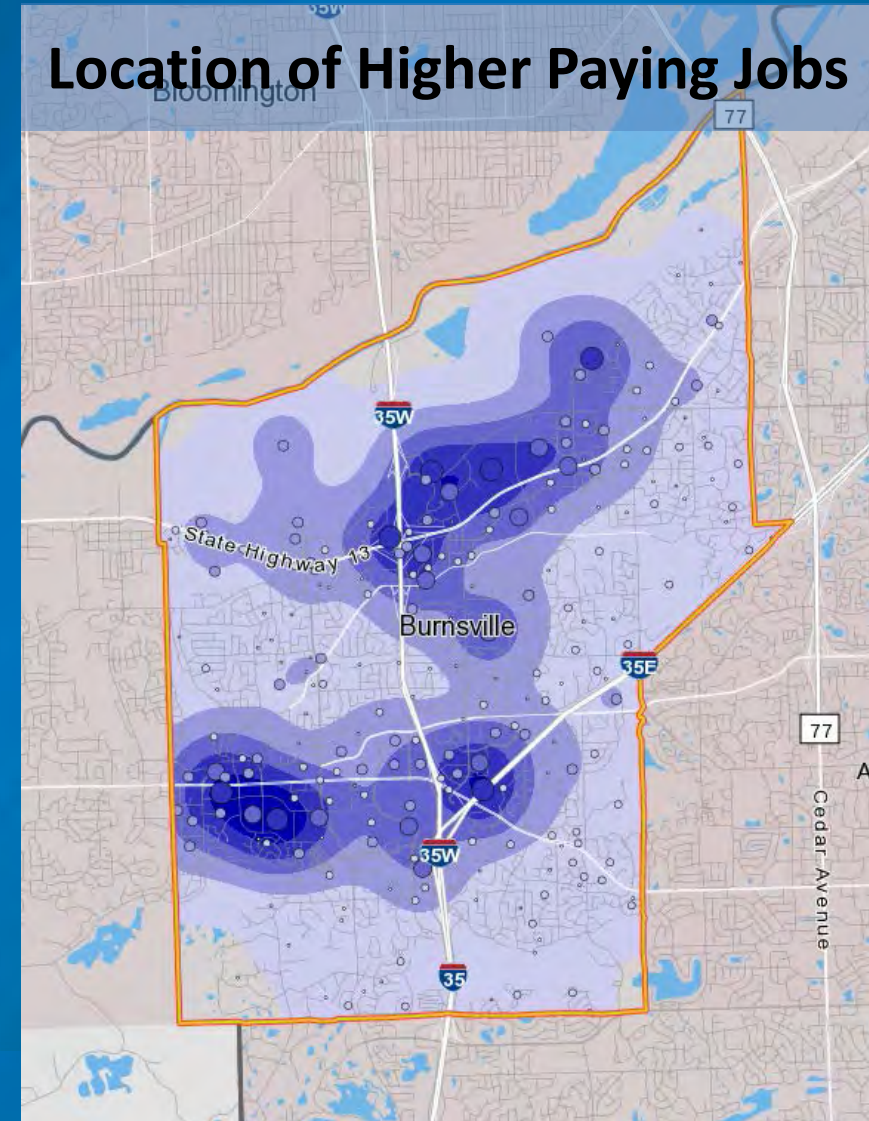
Mosaic of Industries in Burnsville



Location of Lower Paying Jobs



Location of Higher Paying Jobs



Summary Observations about Burnsville

You have great assets to build from!

1. Business attraction and retention

- South Cross and Cliff Road Business Park support a mix of businesses
- City's reputation for being business supportive

2. Workforce development

- Burnsville Promise

3. Quality of Place

- Lots of recognizable areas—
Burnsville Center, Heart of the City

4. Infrastructure

- Interstate highways
- High speed internet

Economic Competitiveness Goals and Strategies

Exercise: Process existing goals and strategies

Discussion: Goals and Strategies by Type

Policies for Consideration

1. Business attraction and retention

- Importance of nonfinancial strategies—relationship building, ombudsman approaches
- Business-friendly brand/approach
- Continue to review and streamline regulatory processes, so that high standards are paired with transparent and efficient processes

2. Quality of Place

- Policy about the importance of supporting the adaptation of Burnsville Center

3. Infrastructure

- Policy about embracing and leveraging bus rapid transit

Next Step

Advisory Panel Meeting – April 17, 2017
Topic – Community Enrichment (Youth and Neighborhoods)